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FILE ONLY

Alleged smuggling latest in series of US-Israel incidents

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Relations between the United States and Israel are not likely to suffer fundamental damage as a result of a Justice Department probe into charges of unlawful Israeli smuggling of American technology.

But this latest disclosure of possible Israeli violation of US laws does put an added strain on ties, diplomatic observers say.

"This is one of the increasing signs of irritation with the Israelis taking us for granted and playing loosely with the rules," says Robert G. Neumann, a former US ambassador in the Middle East. "The problem lies in the accumulation of things rather than each individual instance."

The US Customs Service and the Justice Department are investigating charges that Israel tried to obtain technology from private companies in the US to build cluster bombs. Subpoenas and search warrants were issued this week to a number of American companies and to several Israelis at Israel's defense mission in New York, according to a Customs Service official.

Agents also searched two firms in Iowa, including the Vector Corporation, which makes medical capsules. Equipment used in compressing and coating capsules can also be used in making cluster bombs, according to the official.

The Israeli Defense Ministry yesterday voiced "astonishment" at the charges and said they were "likely to damage Israel's good name without justification and hurt the good relations between the United States and Israel." An Israeli spokesman said that Israel had produced a cluster weapon using its own technology and that all equipment purchased from the US was acquired legally with State Department export licenses.

Exports to Israel of cluster bombs were banned in 1982 after reports that Israel was using them in the invasion of Lebanon.

The cluster-bomb affair comes on the heels of other embarrassing developments, including the Pollard espionage case and charges of illegal sale of US arms to Iran involving a former Israeli general.

Despite the awkwardness of the timing, Vice-President George Bush is proceeding with a planned trip to Israel, Jordan, and Egypt later this month. Aides say the smuggling and spy investigations are not helpful but will not have a signifi-

cant effect on the trip. Mr. Bush expects to discuss continued US interest in a Middle East peace process, now languishing.

Because of the US investigations, strains appear to have developed between the State and Justice Departments. Secretary of State George P. Shultz has sought to play down developments so as not to roil relations with Israel, which have grown exceptionally close under the Reagan administration. The Justice Department, on the other hand, is irritated because Israel appears to be violating US laws, and it does not want to be seen backing off a case for diplomatic reasons.

Clearly sensitive to the politics of the issue, the White House declined Wednesday to comment on the cluster-bomb affair, saying only that the Justice Department "will do all the talking."

Diplomatic experts concur that the American public has a high tolerance for alleged Israeli misdeeds. And in an election year lawmakers are not apt to be critical of Israel.

"It's embarrassing for any government to get caught at dirty tricks," says William Quandt of the Brookings Institution. "But this will drop off the map quickly. I doubt a cumulative outrage is developing that will spill over into Congress. Most people will say these are small things and not cause for a fundamental reassessment."

Given the number of its sympathizers in the US government, Israel receives a huge amount of information through legitimate contacts. There is also cooperation between the US and Israeli intelligence services and a close military relationship that provides Israel with highly advanced arms.

This is why it is deemed shortsighted for Israel to overstep the line of legality and jeopardize its special relationship with Washington. "It is a bit dumb for Israel to do this, because it does not benefit confidence and relations in the long run," says a former senior State Department official. "The [cluster-bomb affair] is not a major disaster, but it tarnishes relations a bit. It'll shake off the feeling that the relationship is a pure marriage."